

Washington, D.C. — Congressman Joe Sestak this evening voted in favor of overhauling the regulatory oversight of the Government Sponsored Enterprises (GSE) of Fannie Mae, Freddie Mac and the Federal Home Loan Banks. H.R. 1427 calls for the creation of the Federal Housing Finance Agency (FHFA) to oversee Fannie, Freddie, and the Federal Home Loan Banks.

“These loan organizations have been plagued by scandals and poor accounting for years,” said Congressman Sestak. “The creation of FHFA is an important step for restoring accountability and public faith in these organizations.”

The bill also creates an affordable housing fund, which will dedicate hundreds of millions of dollars for the construction, maintenance and preservation of affordable housing. Assistance in the first year of the program would focus on the areas damaged by Hurricane Katrina and then be available nationwide in following years.

“Home ownership is part of the American dream,” stated Congressman Sestak. “This new housing fund, which will not be financed with tax dollars, will help make that dream a reality for more Americans. And equally as important, it will contribute to the ongoing reconstruction and redevelopment of our Gulf Coast.”

Equally important, this bills helps homebuyers by raising single family loan limits in high cost areas and requiring the GSEs to aid underserved markets which include manufactured housing, housing preservation, and rural housing.

“Earlier this today I voted for a budget that restores fiscal responsibility and accountability, which I believe is key to America’s long-term prosperity,” stated Congressman Sestak. “I made a promise during my campaign to make the long-term accountability and prosperity of our economy a top priority. The oversight of Freddie, Fannie, and Federal Home Loans is clearly important in that process.”

Congressman Sestak has made Economic Development, including financial services, one of his top priorities. He has held an Economic Summit and worked closely with local chambers of commerce, business owners, economic development professionals, elected officials, union leaders, and members of the higher education and advanced training communities to discuss

and work on strategies enhancing our local and regional economy.

To aid seniors in particular with housing, Congressman Sestak supported a recent bill on reverse mortgages. The bill temporarily waives the cap on federally insured reverse mortgages, which enable homeowners to tap the equity in their house. A reverse mortgage is a unique loan that enables senior homeowners to stay in their homes and remain financially independent by converting part of the equity without having to sell the home, give up title or take on a new monthly mortgage payment.

Born and raised in Delaware County, former 3-star Admiral Joe Sestak served in the Navy for 31 years and now serves as the Representative from the 7th District of Pennsylvania. He led a series of operational commands at sea, including Commander of an aircraft carrier battle group of 30 U.S. and allied ships with over 15,000 sailors and 100 aircraft that conducted operations in Afghanistan and Iraq. After 9/11, Joe was the first Director of "DeepBlue," the Navy's anti-terrorism unit that established strategic and operations policies for the "Global War on Terrorism." He served as President Clinton's Director for Defense Policy at the National Security Council in the White House, and holds a Ph.D. in Political Economy and Government from Harvard University. According to the office of the House Historian, Joe is the highest-ranking former military officer ever elected to the U.S. House of Representatives.

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